



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

Dockets-222

GEN Doc. 90-314

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Honorable Edolphus Towns
House of Representatives
2232 Rayburn House Office Bldg.
Washington, DC 20515-5936

93-253

Dear Congressman Towns:

This is in response to your letter of September 13, 1993, addressing the 2 GHz Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314. You address a proposal that the Commission adopt a licensing plan that allows for minority ownership in a nationwide PCS license.

On September 23, 1993, the Commission adopted final rules in GEN Docket No. 90-314, allocating 120 megahertz of spectrum for licensed PCS. Half of this spectrum will be awarded by Basic Trading Area (BTA), and the other half by Major Trading Area (MTA). In a companion Notice of Proposed Rule Making in PP Docket No. 93-253, the Commission proposed to permit competitive combinational bidding for the two 30 megahertz MTA spectrum blocks, thus facilitating the possibility of nationwide PCS. In combinational bidding, the Commission would accept bids both for licenses individually and for all the individual licenses in the block. Licenses would be awarded as a group if a bid for the licenses as a group exceeded the sum of the highest bids for the licenses individually. The Commission also proposed preferences for two channel blocks totalling 30 megahertz of the BTA spectrum for rural telephone companies, small businesses, and businesses owned by minorities and women.

The Commission's actions that address PCS are designed to foster competition among PCS providers and between PCS providers and cellular radio operators and to promote diversity in the provision of PCS. I am attaching the press releases of GEN Docket No. 90-314 and PP Docket No. 93-253 that more fully describe the Commission's actions.

Sincerely,

James H. Quello
Chairman

Enclosures

EDOLPHUS "ED" TOWNS
MEMBER OF CONGRESS
10TH DISTRICT, NEW YORK

ENERGY AND COMMERCE
HEALTH AND THE ENVIRONMENT
COMMERCE, CONSUMER PROTECTION,
AND COMPETITIVENESS

GOVERNMENT OPERATIONS
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September 13, 1993

The Honorable James Quello
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Chairman Quello:

I am writing to express my interest in the Federal Communications Commission's rulemaking for Personal Communications Services (PCS) (General Docket 90-314), which is scheduled for the September 23rd agenda meeting.

I understand that one of the issues central to your rulemaking is determining a licensing scheme for PCS which best serves the interest of the public. There has been much debate over the best approach for licensing PCS spectrum. Discussion has focused on whether to have nationwide licenses, MTA's, BTAs or other market divisions. I encourage you to incorporate nationwide licenses in your plan because of the potential for more significant minority ownership opportunities which could be created by this approach.

The Commission has contemplated the inclusion of minorities in the licensing plan for PCS and this is commendable. However, I am concerned that small license areas by definition will result in smaller economic opportunities for minorities.

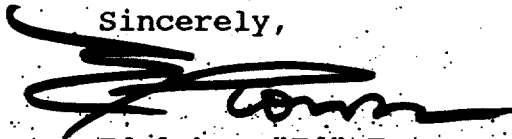
I urge you and your colleagues to develop a licensing plan which allows for minority ownership in a nationwide PCS license. I believe that nationwide licensing could create significant economic opportunities for minority entrepreneurs which are not present if licensing options are limited by the FCC to regional or local market divisions. Furthermore, the results of this proceeding will define central elements of the "information superhighways", and I feel strongly that minority representation is essential if we are to create the world's finest, most democratic information infrastructure.

This proceeding presents an opportunity for the Clinton Administration to make a major contribution to the development of minority opportunities in telecommunications. Therefore, I hope that

The Honorable James Quello
September 13, 1993
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you will give serious consideration to incorporating a nationwide
licensing approach, which contemplates significant minority
participation, in the FCC's rules for PCS.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ed Towns', with a stylized flourish extending to the right.

Edolphus "Ed" Towns
Member of Congress

ET:bp